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Joint Inspection Unit

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Report of the Advisory Committee on Administrative and Budgetary Questions

1. The Advisory Committee on Administrative and Budgetary Questions has considered the reports of the Joint Inspection Unit (JIU) entitled "Managing information in the United Nations system organizations: management information systems" (A/58/82) and the comments of the Secretary-General and the United Nations System Chief Executives Board for Coordination (CEB) thereon (A/58/82/Add.1), on the management audit review of outsourcing in the United Nations and United Nations funds and programmes (A/58/92) and the comments of the Secretary-General thereon (A/58/92/Add.1) and on the common and joint services of the United Nations system organizations at Vienna (A/58/258) and the comments of the Secretary-General and CEB thereon (A/58/258/Add.1). During its consideration of the reports, the Committee met with members of JIU, who provided additional information and clarification.

2. The Committee agrees with CEB that the report of JIU on management information systems (A/58/82) provides a good overview and inventory of the experience in management systems in the United Nations system and a good baseline for an understanding of the great variety of experiences across the system reflecting the different requirements of the organizations as well as their different levels of experience and the maturity of their information technology systems (A/58/82/Add.1, para. 2). A number of the points made in the report of JIU have been covered by the Committee in some detail in chapter I of its report on the proposed programme budget for the biennium 2004-2005 (A/58/7), as well as in its other reports on information and communications technology strategy.

3. The Committee expresses its appreciation for the detailed tables provided in the annex to the report, which contain information on the various systems used by the United Nations system organizations. The Committee points to the continuing need for a technical analysis of the various systems that would enable decision makers to obtain an understanding of the relative costs and benefits. It is also

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important for the organizations to provide a time frame for the completion of information technology projects.

4. The Committee requested a clarification of the CEB response to recommendation 2 (A/58/82/Add.1, paras. 8 and 9). The Committee was informed that CEB members felt that the Chief Information Officer should be able to interpret the substantive guidance and policy advice emanating from legislative bodies (for implementation) in accordance with the particular operational requirements of the concerned organization. The Committee wishes to point out that while from time to time legislative bodies may provide guidance, their primary role is to set policy rather than advise on it.

5. The report of JIU on management audit review of outsourcing (A/58/92) covers the United Nations Secretariat and the United Nations funds and programmes. The Committee concurs with the comments made by the Secretary-General on the report (A/58/92/Add.1), and notes paragraph 4 of the comments by the Secretary-General, in which he expresses general support for the findings and recommendations contained in the report of JIU, but emphasizes the need for flexibility and due consideration to the unique environments in which individual organizations operate. The Committee agrees that the recommendations may be seen "more as guidelines than as prescriptions for action".

6. The Committee also concurs with the Secretary-General's comment that, contrary to the suggestion of JIU (A/58/92, para. 76), as long as a supplier continues to offer the most efficient and cost-effective service and is selected through a fair, transparent and competitive process conducted at regular intervals that takes into account vendor performance evaluation, it is in the interest of the Organization to continue to use that supplier. The Committee notes that the Administration is therefore unable to support the suggestion that the same supplier should not be used for more than 10 years (see A/58/92/Add.1, para. 9).

7. The Advisory Committee further concurs with the Secretary-General in his response to the recommendation that the Inter-Agency Procurement Working Group should aim to standardize and generalize the application of due diligence procedures within the United Nations system, using relevant provisions of the United Nations Children's Fund (UNICEF) supply manual as a model (see A/58/92/Add.1, paras. 19-22). While the Secretary-General questions the relevance of the recommendation vis-à-vis the objective of the JIU report, he acknowledges that common procedures or standards for due diligence would be useful. However, with a roster of nearly 6,000 approved suppliers and approximately 500 requests monthly from new suppliers wishing to register, a re-evaluation of suppliers every two years, as is the policy in UNICEF, would require greater resources than the Procurement Division of the United Nations Secretariat has at its disposal.

8. The matters dealt with in the report of JIU on common and joint services of the United Nations system organizations at Vienna (A/58/258) are of continuing concern to the Committee. It will revert to the report in the context of its future consideration of the issue.

9. **The Committee recommends that the General Assembly consider the reports of JIU in the light of its comments provided above.**